



# SUPERSTORE PROPERTIES LTD



This quarterly Management Report (“Report”) provides key information about Superstore Properties Ltd. This report covers the period between 01 April to 30 June 2023.

First Quarter, FY 2024

1 August 2023

Dear Shareholder

## **SUPERSTORE PROPERTIES LIMITED (COMPANY) - SHAREHOLDER UPDATE**

### **PROPERTY INFORMATION**

#### **Cranford Street, Christchurch**

- **Placemakers** renewed their lease to 2028 with two further renewals to 2040.
- Repairs continue following the Earthquake events of 2010. The majority are complete, and the buildings have been restored to 65 - 75% NBS. The remaining repairs are to the floors of the main building. The insurers have offered funds to settle the claim in lieu of completing the works as they will cause substantial upheaval to the tenant. Legal advice is being sought.
- Full rent and all recharges are being paid.

#### **Proposed Sale of Placemakers, 315 – 321 Cranford Street, Christchurch.**

- Jones Lang Lasalle Limited (JLL) continue to market the property for sale.
- Legal advice is being sought around the settlement procedure and the liabilities involved.
- This issue will need to be satisfied before the sale process can proceed further.
- No formal proposals have been received.

#### **Cameron Road, Tauranga**

- The Warehouse Ltd lease is to 2025 with three further renewals to 2037.
- The building is in good condition with a 100%+NBS rating.
- The storm water drains have not been functioning well and investigations have shown that the issue is with the Council drainage system. This is currently being improved. Water is also leaking through the upper carpark surfaces to the underground carpark below.
- Full rent and all recharges are being paid.

#### **Proposed Sale of 483 Cameron Road, Tauranga**

- The Directors have recently requested a marketing proposal from three real estate agents relating to The Warehouse, 483 Cameron Road, Tauranga, as this property will be promoted for sale.
- The Directors have reviewed the marketing proposals and have appointed real estate agents Colliers to market the property for sale.
- No formal proposals have been received.



### **Audited Financial Report at 31 March 2023**

Below is the audited update of the company's 12-month financial information.

A copy of the Audited Financial Statements to 31 March 2023 is available on our website and the Companies Office. The Annual Report will be available by the end of August.

<b>Financial information summary</b>	<b>2023</b>	<b>2022</b>
Gross income	\$ 1,538,594	\$ 1,526,552
Net profit after tax	\$ (3,757,333)	\$ 7,475,829
Dividends paid	\$ 529,591	\$ 762,841
Ending equity	\$15,905,672	\$20,192,596
Net tangible asset value	\$7.59 per share	\$9.64 per share

### **High Court Proceedings**

In December 2020 proceedings were issued in the High Court (Nelson Registry) against Michael Millar and Investment Services Limited. By an agreement dated 21 February 2022 a settlement of the fraud aspect of the claim and the assignment of rights of recovery against Neil Barnes was reached.

An amended Statement of Claim, relating to the matters not covered by the February 2022 settlement agreement, was filed in April 2022. In May 2023 the hearing was heard in the Nelson High Court before Justice Gwyn. The hearing ran from 1 May 2023 to 9 May 2023 with closing submissions given at the Wellington High Court on 12 May 2023.

Within the closing submissions the Group claimed \$656,395 and ISL's expert witness figures counterclaimed for an amount up to \$440,062.

The Court has reserved its decision. A judgement will generally follow within 3 months.

### **Annual General Meeting**

The annual general meeting for 2023 will be held in Nelson.

15 September, 11 am  
DeLorenzo's Motel Meeting Room  
43 Trafalgar Street  
Nelson

### **Directors Election**

The current directors, John Murray and Damien Prendergast, were appointed in September 2020 for a 3 year term. Their term expires at this AGM.

Both John and Damien are available for re-election.

If there are any further nominations, please send them to [paul@fssmanagement.co.nz](mailto:paul@fssmanagement.co.nz). These should be received no later than 4pm on 25th August 2023.

The election of directors will take place at the Annual General Meeting.

If you require any further information, please contact us on [info@fssmanagement.co.nz](mailto:info@fssmanagement.co.nz).

Yours faithfully

**John Murray**  
Chair

